MANITOBA

ANNUAL REPORT

1982

The Department of Housing

84- 3199 /

Her Honour Pearl McGonigal
Lieutenant-Governor of Manitoba
Room 235 Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Department of Housing for the year ending December 31, 1982.

Respectfully submitted

Jerry Storie
Minister
Department of Housing

MANITOBA
DEPUTY MINISTER OF HOUSING
LEGISLATIVE BUILDING
WINNIPEG, MANITOBA
R3C 0V8

The Honourable Jerry Storie
Minister of Housing
Room 227, Legislative Building

Dear Sir:

I have the privilege of presenting, for your information, the summary of activities for the Department of Housing for the year ending December 31, 1982.

Respectfully submitted

Don Zasada
Acting Deputy Minister
Department of Housing

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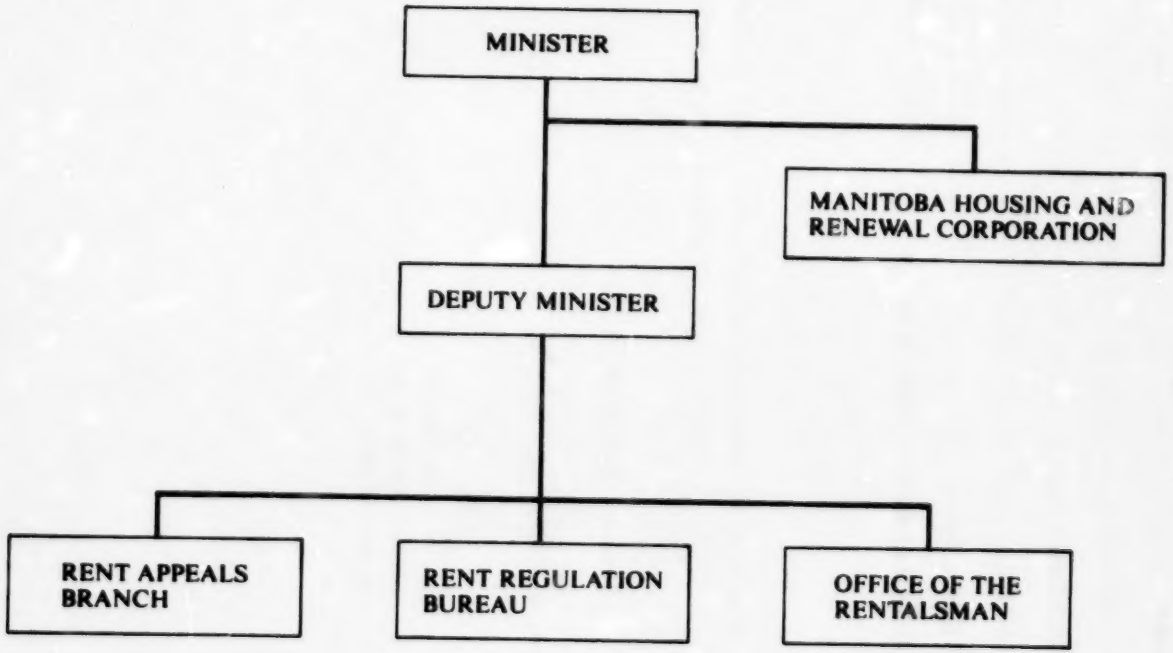
MANITOBA HOUSING AND RENEWAL CORPORATION ..... *)

*) *The Manitoba Housing and Renewal Corporation is required by statute to submit a separate report to the Legislature. The Corporation's report is therefore not included in this annual report.*

ORGANIZATION CHART

December, 1982



Office of the Rentalsman

The Rentalsman is concerned with residential tenancies in Manitoba and is active in:

- **providing an information and education program for landlords and tenants;**
- **resolving problems such as rent increase disputes between landlords and tenants;**
- **mediating or arbitrating all security deposit disputes;**
- **administering The Landlord and Tenant Act; and**
- **preparing legislative amendments for submission to Cabinet.**

The year 1982 saw continued increased requests for assistance by Manitoba landlords and tenants. That increase was made even more notable by the volumes of work taken in by the new branch office serving the City of Brandon and the western quadrant of Manitoba.

The present economic situation has been reflected dramatically by the increasing demand for intervention by the Rentalsman to ensure that needed services were maintained to rented residential premises. This category alone doubled in volume; but even more dramatic was the increase in the dollar values reflected by rent redirection.

Brandon now has a permanent office centrally located at B6-217 10th Street, Brandon, Manitoba, R7A 4E9. This office is staffed by a Deputy Rentalsman, Rentalsman's Intake Officer, and one secretary.

The program of revitalization being carried out in the City of Winnipeg has created the need for closing of some rented residence premises for the purpose of demolition to make way for new construction. The Rentalsman has been involved in negotiating reasonable termination of that type of tenancy and due to the excellent co-operation of the parties concerned, the terminations have been carried out with the minimum injury to the affected tenants.

Staff shortages due to illness, transfer, or attrition while not great in number, reduced the staff numbers in the office at a time when demand for services reached a new all-time high. That situation has been corrected and recruitment of replacements is now complete.

Case History

Abandonment — Distress Seizure — Resolved by Compliance

Marital discord created major problems for the tenant, with the wife remaining in tenancy temporarily. The tenancy terminated on partial abandonment by the tenant, and partially as improper regaining of possession by the landlord.

The landlord held the tenant's furniture and goods and was alleged to have refused return of these possessions to the tenant. To further complicate matters the husband and the wife (tenant) equally were demanding that the possessions belonged only to them and not the other. The officers involved, interviewed the landlord and another person claiming title to the goods, explained rights and obligations of the landlord, and proper process to the person claiming title. The officers then obtained compliance, the furniture and goods were restored to the tenant (value of furniture and goods - $4,500.00).

Attornment Under Mortgage — Emergency Repair — Maintenance of Essential Services

An absentee owner of a number of small and medium-sized apartment buildings experienced financial difficulties, and management of the properties deteriorated. The agent for this owner realized the position was becoming untenable, and in order to protect their company, and to protect the tenants' security deposits, advised the Rentalsman of the situation, paid into the Rentalsman's Trust Account the security deposits and interest and ceased acting as agent.

Many of the tenants had departed as premises were not being maintained, services were discontinued, and the whole situation was becoming impossible. The Rentalsman was obliged to trace these tenants to advise them of their right to claim funds held in trust. This was difficult and many had not left forwarding addresses and the landlord's records were held out of province, unavailable to the Rentalsman.

Meanwhile repair of an emergency nature was needed to some premises, utility services had to be arranged for and restored, and rent collected. This involved a good deal of time of staff of the Office of the Rentalsman; however, work or repair was carried out, utility service restored, and the situation stabilized.

Subsequently the owner lost one building by way of mortgage foreclosure, but held possession of the other buildings.

The Rentalsman is now in final stages of settling matters relative to this rather entangled state of affairs. Most tenants have been located and funds returned to them. The outstanding cases are still being pursued.

Office of the Rentalsman

Activity Summary

Summary

	1981	1982
+ New Registered	5,546	7,014
− Closed Record Only	720	476
= Net for Action	4,826	6,538
+ Carry over (from previous month)	1,018	1,234
= Total for Action	5,844	7,772
− Closed	4,610	5,613
= New Carry Over	1,234	2,159

Origin of Complaints

# of complaints in city	4,817	6,501
# of complaints outside city	729	744

Personal Activities

Incoming telephone calls	58,116	81,107
Office handled calls	49,900	62,864
Switchboard handled calls	8,216	13,692
Total free telephone calls (included in total)	3,337	3,457
Interviews	5,591	8,584
Personal visits and inspections	458	580

Monies

# of cash	384	342
dollars	98,646.81	64,777.07
# of adjustments	451	763
dollars	138,836.43	357,960.51
# of arbitrations	1,248	828
dollars	155,999.45	101,186.64

Analysis of Complaints

(In Descending Order for 1982)

	1981	1982
Security deposits	1,891	2,270
Rent protest by tenant	1,329	1,901
Repairs	527	776
Landlord non-payment utilities	318	641
Notice	278	314
Tenancy agreements	221	225
Miscellaneous	189	199
Abandonment	184	140
Noise	162	130
Rent increases	118	308
Rental arrears	99	37
Landlord assistance	85	55
Hearings (C) Sec. 87	69	20
Privacy	40	44
Lockout and locking systems	31	41
Hearings (A) Sec. 103(9)	24	14
Distraint	23	21
Damage by tenant	14	13
Attornment	12	58
Sub-letting	12	14
Condominiums	5	2
Retaliatory notice	3	—
Discrimination	2	4
Punitive rent increases	1	6
Rentalsman's report to County Court	1	2
Hearings (B) Sec. 120	—	—
Property inspection by authority	—	—
Hearings (D) Sec. 103(4)	—	—
Hearings (E) Miscellaneous	—	—

Breakdown of Closures

	1981	1982
# settled sat. via arbitration	647	469
# settled sat. via mediation	129	109
# settled sat. via 87(5)	325	199
# settled satisfactory	1,377	1,236
# unjustified	61	75
# unsettled	112	142
# record only	720	468
# Small Claims Court	4	3
# Legal Action	86	57
# settled sat. via 87(1.4)	147	134
# Rent Increases	887	1,796

Speaking Engagements

	1982 Talks	1982 Number of People
Schools, Universities, Colleges		
— Winnipeg	13	247
— Outside Winnipeg	2	45
Tenant Groups	11	155
Business/Government Groups	12	297
Media Participation	6	N/A
Other	3	43
TOTAL	47	787

Rent Regulation Bureau

The Residential Rent Regulation Act became law on August 1, 1982. The legislation, retroactive to January 1, 1982, regulates rent increases throughout the province, by empowering the government through cabinet to set rent increase guidelines. The Act allows landlords of rental properties to make applications to the Rent Regulation Bureau for a higher-than-guidelines increase, and allows tenants to object to any rent increase. The guideline serves as a benchmark, the onus is on the landlord to justify the rent increase.

The regulations to the Act set the guidelines rent increase for the period January 1, 1982 to December 31, 1982 inclusive, at an amount equal to 9% of the rent charged for the last rental payment period prior to January 1, 1982. (For 1983, the guideline is 8%.)

This legislation replaces the previous mediation/arbitration program, which was administered jointly by the Office of the Rentalsman and The Tenancy Arbitration Bureau under provision of The Landlord and Tenant Act. It establishes a rent regulation program administered by two distinct divisions: The Rent Regulation Bureau consisting of Rent Regulation Officers and a Rent Appeals Branch consisting of individuals appointed by the Lieutenant Governor-in-Council to act as members of rent appeal panels.

The Rent Regulation Bureau is responsible for:

- receiving and reviewing landlords' applications for rent increase above the guideline;
- receiving and reviewing tenants' objections to rent increases;
- recommending allowable rent increases based on landlords' applications and tenants' objections;
- investigating complaints of improper rent increases;
- disseminating information about the program to the public;
- monitoring and compiling information respecting rent increases, rent levels and any other matters relevant to rents through the establishment of a registry whereby information regarding all rent increases and changes in tenancies must be filed.
- determination of complaints for rent increases received under the previous mediation and arbitration program that were unresolved as of August 1, 1982.

By the time the Act came into force on August 1, 1982 all rent increases taken up to that point in 1982 that exceeded the guideline had to be reviewed.

In order to allow landlords and tenants an opportunity to familiarize themselves with the legislation, landlords were permitted one month until September 1, 1982 to make application for approval of their increases or reduce them to an amount equal to or less than the 9% guideline. Similarly, tenants had an equal period of time to object to rent increases that had already gone into force. Considering this retroactive provision in the legislation, the Bureau was confronted with almost a full year's work when it came into existence. Obviously, this has caused some backlog; however, by the end of February, 1983 the vast majority of 1982 increases will have been determined by the Bureau.

In addition, because a landlord must notify the tenant of a rent increase at least three months prior to the effective date and apply for an extra increase within two weeks of notifying the tenant, by December 31, 1982 the Bureau had already received applications for January, February and March, 1983 increases in excess of the 8% guideline.

In total, 17,857 increases were submitted to the Bureau for approval during 1982. As it is estimated that there are 120,000 rental units in the province this represents approximately 15% of the marketplace. By December 31, 1982, Rent Regulation Officers had determined 5,854 increases; allowing the increase requested by the landlord in 1,307 cases or approximately 22% of the recommendations issued and reducing the requested amount for the remaining 78% of the increases.

Tenants objected to 2,800 rent increases. However, 2,614 objections related to increases greater than the guideline and therefore are either included in the 17,857 increases submitted for approval by landlords or are converted into compliance proceedings, i.e., no application received from the landlord and the increase reduced to the guideline amount or lower. The remaining 186 objections filed by tenants pertained to increases less than the guideline and result in a review by a Rent Regulation Officer. By December 31, 1982, 17% of these objections (186) had been resolved.

With respect to protests of rent increases legislatively transferred from the previous mediation and arbitration program, the majority of these are resolved upon the completion of a landlord's application for extra increase.

In order to make the rental public aware of the new program, information material was prepared in both official languages and distributed to landlords and tenants throughout the province.

The tenant brochure "You . . . Your Landlord . . . and Your Rent" was distributed to 75,000 tenants in various communities in Manitoba and "A Guide for Landlords" and five Information Bulletins were sent to approximately 7,000 landlords throughout the province. Officials of the Bureau also conducted speaking engagements with several landlord and tenant associations regarding the new legislation.

Rent Regulation Bureau

Activity Summary

For the Period

August 1 - December 31, 1982

		Number of Units
Applications by landlords for extra increases		
Winnipeg	15,892	
Outside of Winnipeg	1,965	17,857
Applications withdrawn, increases reduced to guideline		545
		17,312
Determined		5,854
Active		11,458
Objections by tenants to increases less than the guideline		186
Withdrawn		10
		176
Determined		21
Active		155
Tenant protests transferred from mediation/arbitration program		2,160
Determined		1,009
Active		1,151

Rent Appeals Branch

The Rent Appeals Branch came into being on August 1, 1982 with the proclamation of Bill 2, The Residential Rent Regulation Act.

The Coordinator of Appeals is responsible for the selection of panels and the referral or assignment of appeals and proceedings to a panel who are private citizens appointed by Order-in-Council. The Coordinator of Appeals and his staff are responsible for advising the panels where they are requested to do so, for provisions of staff and facilities for the panels, and for the recording and communication to the parties of the decisions, determinations, and order of the panel.

This is a new Statute which is administered for the most part by the Rent Regulation Bureau which is a separate and distinct entity from the Rent Appeals Branch, but both organizations work under the provisions of The Residential Rent Regulation Act and the Regulations thereto.

The Rent Appeals Branch is responsible for:

- appeals from recommendations of Rent Regulation Officers in respect of objections to rent increases by tenants or applications by landlords for approval of rent increases in excess of the increase permitted under the Regulation;
- applications for rollback of rent where the Director of the Rent Regulation Bureau makes applications to the Coordinator of Appeals for such an order;
- direct application to the Appeals Branch for application for approval of Rehabilitation.

The primary purpose of the Rent Appeals Branch is to hear appeals from Rent Regulation Officers recommendations and the main activity of the Branch bears a direct correlation to the output of the Rent Regulation Bureau.

As the Rent Regulation Bureau and the Rent Appeals Branch only came into operation on August 1, 1982, it took some time for the recommendations to emanate from the Rent Regulations Bureau, and eventually become appeals where such appeals were filed.

Opening activity was concerned with application for Rehabilitation and the first two months in operation pursuant to Section 33(1) of The Residential Rent Regulation Act. Accordingly the bulk of the activity to the end of December, 1982, in the amount of units handled by the Appeals Branch was significantly higher in Rehabilitation process than in appeals from the Rent Regulation Officer's recommendations which were just beginning to come through to appeals. In dealing with the Rehabilitation process there are two hearings scheduled. One is for the approval in principal of the application as Rehabilitation. When the Rehabilitation is completed as directed by the panel the applicant then applies for exemption pursuant to Section 33(6) of The Residential Rent Regulation Act. There is a second hearing convened and the exemption is either granted or not granted. Of the total amount of Rehabilitation units taken in 1982 and dealt with by the appeal panels, two were out of town (43 units in Portage la Prairie and 101 units in Brandon).

A larger volume of appeals from recommendations of the Rent Regulation Bureau were just beginning to be reflected in the appeal process at the year end.

Statistics

Appeals received from Rent Regulation Officer's recommendations — 1978 units

Appellants : 1899 Landlord — 79 Tenant

Processed : 136

Decisions : 45% recommendation upheld
55% varied

Application for Rehabilitation — 765

Approved : 664

Rejected : 101

Application for Exemptions

Approved : 622

Not yet determined : 42

Tenancy Arbitration Bureau

The introduction and subsequent proclamation of The Residential Rent Regulation Act on August 1, 1982 concluded the function of the Tenancy Arbitration Bureau as of that day.

The Tenancy Arbitration Bureau first came into being in July, 1980 under authority of The Landlord and Tenant Act and was responsible for:

- arbitrating and determining rent increase protests referred by the Office of the Rentalsman;
- arbitrating and determining any other landlord-tenant disputes with the consent of the parties involved except those disputes related to security deposits and repairs to residential premises:
- maintaining and compiling data with respect to rent levels, rent increases and any other residential rental matters as directed by the Minister.

The major area of activities continued to be centered around tenant protests of rent increases. Some 1,791 protests were received between January 1 and July 31, 1982. In addition, rent increases on 60 units were arbitrated by way of Ministerial direction.

As of August 1, 1982, there were 2,160 unresolved rent increase protests on hand. The newly passed Residential Rent Regulation Act contains provisions which allows all mediation or arbitration proceedings that were commenced but not completed under The Landlord and Tenant Act to be continued and resolved as tenant objections under The Residential Rent Regulation Act. By year-end, 1,009 of these cases were resolved, with the remainder to be completed by March 31, 1983.